

OA 91 Criminal Complaint

United States District Court

NORTHERN

DISTRICT OF

CALIFORNIA

UNITED STATES OF AMERICA
V.

JOHN BUI

FILED

MAY 15 2009

CRIMINAL COMPLAINT

JL

Case Number 3 09 70448

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
(Name and Address of Defendant) NORTHERN DISTRICT OF CALIFORNIA

I, the undersigned complainant being duly sworn state that the following is true and correct to the best of my knowledge and belief. On or about May 14, 2009 in Santa Clara County, in the Northern District of California defendant(s) did,

(Track Statutory Language of Offense)

in a matter within the jurisdiction of the Federal Bureau of Investigation ("FBI"), knowingly and willfully make a material false statement to an FBI agent in the course of his duties

in violation of Title 18 United States Code, Section(s) 1001

Maximum Penalties:

5 years imprisonment, \$250,000 fine, 3 years supervised release, \$100 special assessment.

I further state that I am a(n) Special Agent, FBI and that this complaint is based on the following facts:

SEE ATTACHED AFFIDAVIT MADE A PART HEREOF.

Continued on the attached sheet and made a part hereof:

Yes No

Jason Richards, Special Agent, FBI
Name/Signature of Complainant

Sworn to before me and subscribed in my presence,

May 15, 2009

Date

at San Francisco, California

City and State

Hon. James Larson

U.S. Magistrate Judge

Name & Title of Judicial Officer

Signature of Judicial Officer

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

3 09 70448
ss. AFFIDAVIT

JL

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT
CHARGING JOHN BUI
WITH MAKING A FALSE STATEMENT TO A GOVERNMENT
AGENCY
IN VIOLATION OF 18 U.S.C. § 1001

I, Jason Richards, declare and state as follows:

I.
INTRODUCTION

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI") in San Francisco, California. I have been a Special Agent with this agency for ten years.
2. I submit this affidavit in support of a complaint and application for an arrest warrant for JOHN BUI ("BUI") for making a false statement to a government agency in violation of Title 18, United States Code, Section 1001.
3. The facts set forth in this affidavit are based in part on information that I have learned from conversations with other law enforcement agents, including other agents assigned to this investigation, as well as a review of relevant documents. It is also based on information voluntarily provided by the defendant JOHN BUI, a cooperating individual ("CI-1") and an individual who works with BUI.
4. Because the purpose of this affidavit is to set forth only those facts necessary to establish probable cause for the issuance of an arrest warrant for the defendant, I have not described all the relevant facts and circumstances of which I am aware. All conversations with CI-1 are described in sum and substance.

II.
STATEMENT OF PROBABLE CAUSE -- 18 U.S.C. § 1001

A. Applicable Statute

5. Pursuant to Title 18, United States Code, Section 1001, it is unlawful to knowingly and willfully make a materially false statement in any matter within the jurisdiction of the executive, legislative or judicial branch of the government of the United States. The Federal Bureau of Investigation is an agency within the executive branch of the United States government.

B. Probable Cause to Arrest

6. Since January 2009, the FBI has been investigating a mortgage fraud conspiracy. The investigation has revealed that mortgage brokers, including brokers working for two mortgage origination companies known as "United Investments," located in San Francisco, California and "J.B. Financial Group," located in Milpitas, California have, for at least 10 years, procured mortgage loans from lending institutions by falsifying information relating to the creditworthiness of the borrowers. Specifically, the mortgage brokers have routinely listed false and inflated information relating to the borrower's income, employment and assets on the loan applications submitted to the lending institutions. In addition, the mortgage brokers routinely procured forged and falsified documents such as W-2 statements and paystubs from an individual who has since been arrested and who is now cooperating with the government's investigation ("CI-1"). The mortgage brokers used these forged and falsified documents to support the borrowers' loan applications. In addition, the mortgage brokers recruited a network of individuals (the "VOE co-conspirators") to pose as employers for the borrowers and fraudulently to verify the false income and employment listed by the brokers on the borrowers' loan applications.

7. On May 12, 2009, CI-1 was arrested pursuant to a warrant issued by Magistrate Judge James Larson based on a complaint and affidavit sworn by me on May 6, 2009. After CI-1 was arrested and appointed counsel to represent him/her in connection with the complaint, CI-1 agreed to be interviewed and to cooperate with the government's investigation. During a meeting held on May 12, 2009, at which CI-1 was represented by counsel, CI-1 voluntarily provided the following information in substance to agents of the FBI.

8. CI-1 has worked as a loan processor for defendant JOHN BUI at a mortgage origination company known as J. B. Financial Group on a part-time basis since at least 1997. CI-1's typical work day at J.B. Financial Group is from 10:00 a.m. to 3:00 p.m. CI-1 described her job at J. B. Financial Group as conducting credit checks and running title reports for loan files. CI-1 said that the only person with a broker's license at J. B. Financial Group is defendant JOHN BUI and that all of the loans processed by J. B. Financial Group are generated by BUI. In addition, I have researched J. B. Financial Group by reviewing its website and a LexisNexis business report and learned that BUI is the owner and President of J. B. Financial Group.

9. CI-1 described J. B. Financial Group's offices in Milpitas, California and explained to agents of the FBI that the company's loan files are routinely stored in the office.

10. On May 13, 2009, the Honorable James Larson, United States Magistrate Judge, issued a search warrant for the offices of J. B. Financial Group, BUI's mortgage origination business located in Milpitas, California.

11. On May 14, 2009, agents from the FBI executed the search warrant at J. B. Financial Group. After entering the premises, FBI agents discovered that there were very few loan files at the premises. I also observed that inside the office were several empty file cabinets. BUI was present and agreed to speak with me. After agents of the FBI explained to BUI that he was not under arrest, that he was free to leave at any time and that he was not required to speak to the FBI agents present, BUI admitted in sum and substance and among other things that 70 to 80 percent of the loan applications originated by J. B. Financial Group contained false employment information relating to the borrowers. I asked BUI where his company's loan files were and BUI said, in sum and substance, that there were very few loan files present in the office because his company routinely shreds its loan files after each loan closes. BUI specifically denied destroying his loan files after learning of the FBI's investigation.

12. Later on May 14, 2009, an FBI agent assigned to this investigation interviewed an employee of J.B. Financial Group. The employee stated in sum and substance that that BUI shredded J. B. Financial Group's loan files after he learned that the FBI had executed a search warrant on May 1, 2009 at the offices of United Investments, a San Francisco-based mortgage origination company. S/he also stated in sum and substance that BUI shredded J. B. Financial Group's loan files because he was nervous about

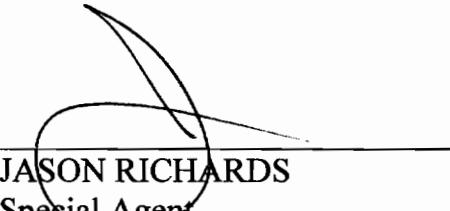
what happened at United Investments and BUI was nervous about his own loan files as well.

13. Also on May 14, 2009, FBI agents also interviewed an employee of another company located upstairs from J.B. Financial Group. This individual stated in sum and substance that s/he recalled seeing what s/he believed to be a document shredding company truck double-parked near J.B. Financial Group on Wednesday or Thursday of last week (May 6, 2009 or May 7, 2009).

III. CONCLUSION

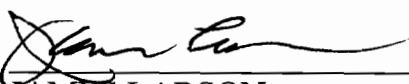
14. Based on the foregoing information, I believe there is probable cause to believe that on May 14, 2009, JOHN BUI did knowingly and willfully make a materially false statement in a matter being investigated by the FBI, a government agency, to an FBI special agent while in the course of his duties for the FBI by falsely stating in sum and substance that his company routinely shreds its loan files as each loan was completed, when in fact, as he knew, his company shredded its loan files after BUI learned of a search warrant executed at United Investments on May 1, 2009, in violation of Title 18, United States Code, Section 1001(a)(2).

15. WHEREFORE, I also request that an arrest warrant issue for the defendant JOHN BUI.



JASON RICHARDS
Special Agent
Federal Bureau of Investigation

SUBSCRIBED AND SWORN TO BEFORE ME
THIS 15th DAY OF May, 2009



JAMES LARSON
United States Magistrate Judge